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TAXATION OF INDUSTRY

Part II—Comparisons in Massachusetts

Taxes are often blamed for industry's shift from the central cities to suburbs. To find out how taxes on manufacturers vary within a state, tax comparisons of Boston, its suburbs, and seven other cities in Massachusetts were included in a survey of industrial taxes in seven states. (See *Review,* February 1959.) Boston and cities of varying sizes were selected, with populations ranging from 4,600 to 166,000.

The most difficult job in a survey of this type is to determine the value at which a new manufacturing plant would be assessed in different communities. Usually it is assessed at less than 100 percent of its market value. The study on which this article is based relies primarily on interviews with local manufacturers, realtors, assessors, and others in a position to know the ratio of actual value to assessments in their communities. Opinions were also gathered in a mail survey of some 200 manufacturers.

The estimated assessment ratios cannot necessarily be applied to any specific firm. They are the rough average of what a number of firms could have negotiated in each location in 1958.

(Continued on page 2)

Also **Bank Earnings in Recession and Recovery,** ***page*** **5**

This is the second of a two-part series based on a study, *State and Local Taxation of Industry—Some Comparisons.* John D. Strasma, a graduate student in economics at Harvard University, conducted the study with the assistance of the Federal Reserve Bank of Boston and the Greater Boston Economic Study Committee. Copies of the complete study and additional copies of both articles are available on request from the bank's Research Department.

Services offered by the community differ widely between locations. If these services are inadequate for a particular plant, the firm may lose what benefits it gains in low taxes through costs incurred in providing its own services.

The estimated effective tax rate a manufacturer would pay is shown in the chart on page 3. This is not the same as the official rate, which is based on assessed valuation. The effective rate shows taxes per $1,000 of cost of land and building construction. It is the official tax rate times the estimated ratio of assessed value to market value. The effective rate shown applies to manufacturing plants only. It does not include residential property or commercial property (such as stores and office buildings) which generally have different assessment ratios.

The survey indicated that assessed values tend to be a lower ratio to net book values for firms that have been built since 1954. This is not just a sign that older plants tend to be largely written off the books. Lower assessment of new construction was indicated as a result of providing incentives for new investment.

In 16 cities and towns surveyed in Massachusetts, industrial plants erected in 1958 would be assessed at anywhere from 30 percent to 90 percent of construction cost. Tax rates in the 16 locations vary between $26 and $93, but the range of effective tax rates applied to construction costs is narrower—from about $18 to $51.

The Boston metropolitan area had both the high and the low—$51.50 per $1,000 value in Boston to $18 in Burlington. Outside the Boston area the range was $40.44 in Springfield to $23.40 in Acton.

The urban-suburban comparisons in the Boston area show no pattern with respect to distance from the central city. Beverly has the highest tax of the suburban locations and Burlington has the lowest, but both are on the outer fringes of the metropolitan area. Cambridge, second highest, is adjacent to the central city. Wilmington and Natick have higher industrial tax bills than Needham and Waltham, but the latter cities are closer to the central city.

Cities outside the Boston area show a high correlation between size and taxes—the larger the city, the higher the tax. If these cities are ranked by population and then by taxes, the list is almost identical. The only exception is North Adams, which is second in tax but fifth in population.

Taxes Illustrated

To illustrate effective tax rates, two mythical corporations, A and B, have been developed to determine the tax they would pay in 1958 in each of the towns surveyed. Assumptions are made about the firm's income, assets, purchases, and other items in its financial statements.

Corporation A is assumed to have $3 million in assets, including $933,000 in realty (land and building) and $506,000 in machinery. Assets of $1.2 million were assumed for Corporation B, including $53,000 in realty and $155,000 in machinery. It is assumed this corporation rents its plant but has some investment in improvements on the building and land held for future construction. (See *Review,* February 1959, for more complete descriptions of these firms.)

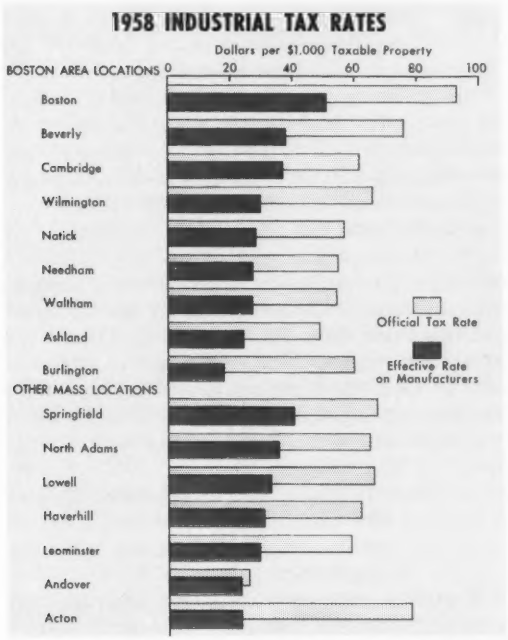
Corporation A's local tax ranges from $47,703 in Boston to $16,788 in Burlington. Corporation B's tax ranges from $2,711 in Boston to $954 in Burlington.

The significance of this range of taxes can be judged by comparing the local tax bill as a percent of income before Federal taxes. Corporation A's assets typically produce a pre-Federal tax income of $297,831 and Corporation B's, $164,000. The percent of A's income going to local taxes ranges from 16 percent to 5.6 percent. In effect, a manufacturer with characteristics like Corporation A could increase his profits 10 percent if he could invest and operate as efficiently in Burlington as in Boston.

The percent of profits going to local taxes is, of course, influenced by the nature of the manufacturing establishment. A company requiring larger investments in land and building relative to income will pay a higher percentage of its income in local taxes. Corporation B, which rents its building, pays considerably less in local taxes directly, but it pays taxes indirectly through its rent.

Some urban-suburban taxes for the Providence, R. I., metropolitan area are shown for comparison at the bottom of page 3. Both state and local taxes are shown because between states only the total tax bills are comparable because of different proportions of total taxes levied at the local and state levels in different states. Rhode Island, for instance, taxes inventories at the local level, but the state's income tax on manufacturers is lower than Massachusetts.

Similar cities are paired in the table in order



to show their comparative taxes on industry. Cambridge and Pawtucket both have over 75,000 population and each is close to its central city. Needham and North Smithfield are paired because both are smaller communities and neither is adjacent to its central city. For both corporations, the tax ranking is Boston–Cambridge–Needham and Providence–Pawtucket–North Smithfield.

The two central cities and the two larger suburbs have similar taxes for the larger corporation. For the corporation which rents its plant, both Providence and Pawtucket have a higher tax than their Massachusetts counterparts. This is because all local manufacturing taxes in Massachusetts come from land and building, while Rhode Island communities tax machinery and inventories.

Different assumptions about the type of firm will have a greater effect on the tax bill between states than in different locations in the same state. To demonstrate this in the Boston-Providence comparison, data for an actual firm was taken from *Moody's Industrials*, 1958. The firm, which manufactures specialized electric and electronics equipment, fitted this situation because all production was performed at one factory.

The firm has 74 percent more real estate and machinery and 121 percent more inventory than Corporation A. Sales were 20 percent less, but income before Federal taxes was 123 percent greater. The taxes this firm would have paid in 1958 are:

	State and Local Tax	% Change from Corporation A
Providence	$139,516	+ 19.1
Pawtucket	131,491	+ 19.2
No. Smithfield	78,436	+ 18.3
Boston	136,253	+ 17.9
Cambridge	113,498	+ 18.0
Needham	97,954	+ 18.1

Boston dropped below Providence in this listing as a result of the exemption of machinery and inventory from local property taxation in Massachusetts. It might have fallen much further except that income of this company is much greater than for Corporation A and the corporate income tax rate is higher in Massachusetts than in Rhode Island.

Taxes and Industrial Growth

States are sensitive about the effect of their taxes on industrial growth. A study by the Ohio State Chamber of Commerce a number of years ago found that 25 out of 35 states using promotional advertising claim that they have tax climates favorable to industry. A Massachusetts legislative commission reported in 1955 that taxes "have retarded business development in this state."

Yet many studies have concluded that taxes are not a very important factor in manufacturers' locational decisions because they are a small proportion of operating costs. The Department of Commerce ranked taxes as 12th in a list of 13 influences on industrial location in a 1947 publication.

For the great bulk of states and cities that are neither at the high nor low levels of the taxation scale, differences in corporation tax liabilities in alternative locations would not be large in relation to income. But the spread between states and between communities from highest to lowest manufacturing tax burdens is large enough to become a significant burden on income. As stated in Part I of this series, the range was 17 percent of income for Corpora-

STATE AND LOCAL INDUSTRIAL TAXES, 1958
Boston and Providence Areas

	State and Local Taxes	Taxes as % Income		State and Local Taxes	Taxes as % Income
$3 Million-Asset Firm (Corporation A)					
Boston	$76,171	25.6	Providence	$73,111	24.5
Cambridge	63,050	21.2	Pawtucket	68,497	23.0
Needham	54,115	18.2	N. Smithfield	42,803	14.4
$1 Million-Asset Firm (Corporation B)					
Boston	$18,892	11.5	Providence	$31,375	19.1
Cambridge	18,146	11.1	Pawtucket	28,650	17.5
Needham	17,638	10.8	N. Smithfield	15,469	9.4

1958 LOCAL TAXES IN MASSACHUSETTS

	$3 Million-Asset Firm		$1 Million-Asset Firm		
	Local Tax	% of Income	Local Tax	% of Income	Population (1955)
Boston	$47,703	16.02	$2,711	1.65	724,702
Beverly	35,439	11.90	2,014	1.22	31,432
Cambridge	34,582	11.61	1,965	1.20	98,958
Wilmington	27,699	9.30	1,573	0.96	9,408
Natick	26,580	8.92	1,510	0.92	26,213
Needham	25,647	8.61	1,457	0.89	21,560
Waltham	25,460	8.55	1,447	0.88	50,115
Ashland	22,849	7.67	1,299	0.79	5,828
Burlington	16,788	5.64	954	0.58	5,225
Other Massachusetts					
Springfield	$37,715	12.66	$2,143	1.31	166,052
North Adams	33,342	11.19	1,894	1.15	21,493
Lowell	30,964	10.40	1,760	1.07	93,876
Haverhill	28,912	9.71	1,643	1.00	45,436
Leominster	27,512	9.24	1,563	0.95	24,787
Andover	21,823	7.33	1,240	0.75	14,535
Acton	21,823	7.33	1,240	0.75	4,681

tion A between locations in the states studied. Within Massachusetts the range was 10 percent of income.

Opinions on the importance of taxes in locations were gathered from Massachusetts manufacturers in a mail survey which helped in confirming the tax figures used in this article. Each manufacturing company was asked if property taxes had ever influenced its action in building a new plant or improving present property. The same question was asked about state taxes.

Of the 162 firms which answered the question on local taxes, 26, or 16 percent, said local taxes had definitely influenced their decisions. Thirty-three companies said state taxes had influenced their decisions. This was 19 percent of the 173 who replied on state taxes. Written comments, even more than the simple tabulation of replies, indicated that state taxes influenced the firms more than local taxes.

One manufacturer said that state taxes had caused it to "limit capital investment to equipment which could be moved, should it be decided to relocate the plant."

A company operating in more than one state reported that state taxes were a "very definite and important factor in our decision not to move some of our other facilities into the state."

Typical of those answering that taxes had not influenced their decision was the respondent who said the company "would move to another state because of taxes if labor supply in our industry was available elsewhere." Others mentioned the high cost of moving or the heavy fixed investment they already had in their present locations.

One manufacturer said the cost of moving out of the state "would be much greater than any tax saving that might result from the move."

A respondent who said local taxes had influenced his decisions commented: "We had considered a new plant and even had purchased land. The real estate taxes which would have resulted definitely influenced our decision not to go ahead. The land is now for sale."

Another firm said that it had studied a plan to sell a group of buildings and consolidate its operations in one structure. But the plan was shelved because "property tax on the cost of the proposed new single structure will be out of all proportion to the tax on the old buildings . . . "

Three companies mentioned taxes and the business "climate" as factors influencing them to build elsewhere, but one admitted that the main influence was the offer by a community in the other state to provide a building on attractive terms. One respondent mentioned that only a definite agreement with town officials about property taxes led the company to build a new plant in Massachusetts.

A firm which said it was not influenced by taxes had this comment, "Our experience has been that real estate taxes north and south are relative to the services provided by the city."

Even though fewer than 20 percent of respondents said taxes had influenced their past location decisions, others volunteered the opinion that taxes would influence their future decisions. Thirty said local taxes would have an influence, and 49 answered this way for state taxes. Since they responded about future decisions even though the question was not on the form, it is probable that many others would have expressed this opinion if the question had been asked.

The greater importance of state taxes as expressed by respondents is borne out by the tax figures presented earlier. In Boston, for instance, state taxes comprised 38 percent of the total state and local tax bill for Corporation A. For states with a different tax structure, local taxes could be more important. If Corporation A were located in Chicago, state taxes would make up 6 percent of the tax bill.

Informed manufacturers selecting locations recognized the importance of assessing state and local taxes at alternative sites. This study confirms the existence of substantial variations in tax liabilities at alternative locations and illustrates how varying assets and related characteristics affect taxes in different locations.

State and local officials have long accepted tax variations as a technique of encouraging favorable investment decisions. This survey presents evidence that tax variations between cities and states have grown in some instances to a level that significantly deters manufacturers' investment or growth. Cities and states concerned with industrial growth cannot ignore the structure, level, and trend of their taxes.

Bank Earnings in Recession and Recovery

The up and down course of the economy in 1958 and the related monetary developments had significant effects on the earnings of New England banks. Although total profits rose to new highs, they would have declined somewhat had it not been for gains in the sales of securities.

The decline in business activity which began in the summer of 1957 continued through the early months of 1958 and then a vigorous recovery began. The Federal Reserve System during the first half of 1958 continued its efforts to halt the decline and facilitate recovery by employing the full range of monetary measures to expand the money supply and encourage the flow of credit.

Total earnings of district member banks were about 3 percent higher than in the preceding year. Because expenses increased at a faster rate than earnings, net current earnings were slightly lower than the preceding year. Noncurrent transactions (mainly the sale of securities) added substantially to profits of the Boston banks in 1958 in contrast to the previous year when losses exceeded profits from this source. For the district as a whole, profits and losses on noncurrent transactions about offset each other.

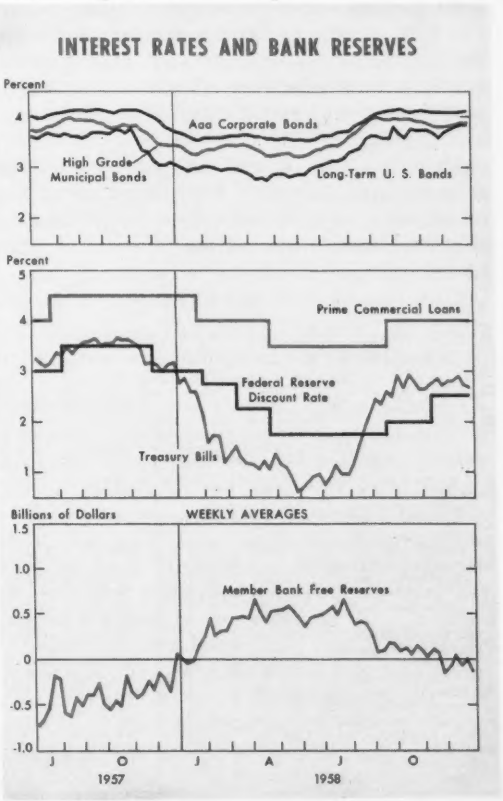
Total earnings increased even though earnings on loans did not. Boston banks' income from loans declined 5 percent while outside banks had a 2 percent increase in loan income. The failure of loan income to rise was the result of lower interest rates and a smaller volume of business loans.

Market forces and Federal Reserve monetary policies resulted in interest rates lower than in 1957 throughout most of the year. The rate on prime commercial loans was lowered twice during 1958, the first reductions since 1954. Rates charged by banks on short-term business loans declined sharply during the year and even in the last quarter of 1958 were below the average level of 1957.

For most of 1958 the volume of commercial and industrial loans was below its year-earlier level. This was a depressing factor on earnings. Commercial and industrial loans are usually short-term, and thus a large proportion of the outstanding loans came due in the first half of 1958. Loan renewals and new loans during that period were made at the lower rates which prevailed. By the year-end, however, commercial and industrial loan volume recovered to a point slightly above the 1957 year-end total.

An 8 percent increase in income from investments was the principal source of the increase in total earnings even though yields on securities were lower than the previous year. The increase was due to the larger volume of securities held. Interest rates on short-term Treasury securities declined sharply during the first half of 1958. In accord with the improvement in business news as well as the change in the direction of monetary policy, rates on securities turned upward by midyear. District member banks earned an average of about 2.4 percent on securities held in 1957, but in 1958 they earned 2.3 percent.

Monetary policy was an important reason for the increased securities holdings. Reserve requirements were lowered for the first time since 1954. The reductions were made in four steps in February, March, and April. The reductions brought reserve requirements to the lowest level since the mid-1930's when variable reserve requirements were first put into use by the Federal Reserve System. The lower reserve requirements allowed banks to take funds from nonearning reserves and put them in invest-



ments. Under a fractional reserve system, in which reserves need be only a specified fraction of deposits, the banking system can increase earning assets by several times the original amount of freed reserves. Bank earnings during the second half of the year benefited from the fact that interest rates were higher and reserve requirements remained unchanged.

Bank assets were also increased as the Federal Reserve System added to its holdings of Government securities in the first part of the year through open market operations. The Federal Reserve's purchase of securities directly increases member bank reserves, as the seller deposits the proceeds of the sale in a commercial bank. Again, these additional reserves can result in increases in earning assets several times the amount of the original purchase.

One measure of the extent to which Federal Reserve open market operations affected the reserve positions of member banks is "free reserves." This is the difference between reserves in excess of legal requirements and member bank borrowing from the Reserve Banks. At the beginning of 1958 excess reserves were about equal to member bank borrowings. By March they had risen to exceed borrowings by about $500 million. Free reserves remained at about this $500 million level until August. After that the decline in excess reserves and rise in member bank borrowings brought the year-end level of free reserves to about where it was at the start of the year.

Income from service charges on deposit accounts also increased, reflecting a wider use of checking accounts as well as some increases in rates. Income from trust services and other income also increased.

All classes of operating expenses increased in 1958. As in 1957, expenses increased at a faster rate than earnings. A 16 percent increase in interest paid on time deposits due to the rise in the volume of such deposits and an increase in the average rate paid was responsible for most of the addition to expenses. Wages and salaries continued to increase but the rate of increase was less than in the past several years.

Noncurrent transactions for the first time since 1954 did not substantially reduce reported profits. The lower interest rates during the first half year produced higher prices for fixed-income securities. Banks were able to take substantial capital gains on security transactions whereas in previous years they suffered capital losses on these transactions. Capital losses taken during the last half of the year offset to some extent the capital gains of the first half but the net result for the year was a substantial improvement in the noncurrent transactions picture as compared to recent years.

The slightly reduced net current earnings together with the substantially improved position on noncurrent transactions resulted in an increase in net profits before taxes of 18 percent over 1957. While income taxes were above the previous year, the result was still an increase in net profits after tax. Net profits after tax were about 8.1 percent of capital accounts, an improvement from the 7.5 percent of 1957.

Cash dividends were somewhat higher than in 1957 but remained conservative. Fewer banks raised their dividends or declared extras. In Boston, dividend payments were about 4.8 percent of capital accounts and at banks outside of Boston they were 4.2 percent. About 55 percent of net profits was paid out to stockholders and the remaining 45 percent was used to strengthen capital accounts.

MEMBER BANKS EARNINGS, EXPENSES AND PROFITS
(Amounts in Thousands of Dollars)

	Boston		Other First District Banks	
	1958	% Change from 1957	1958	% Change from 1957
Earnings	**124,557**	**+ 1.3**	**224,245**	**+ 3.1**
Interest received on bonds and stocks	20,162	+20.2	45,442	+ 2.1
Interest received on discounts and loans	70,640	− 5.0	132,891	+ 2.0
Service charges on deposit accounts	3,906	+ 7.8	18,323	+10.3
Trust department	16,890	+ 8.5	15,431	+ 6.2
All other income	12,959	+ 3.1	12,158	+ 5.6
Expenses	**65,902**	**+ 4.6**	**158,513**	**+ 8.0**
Salaries and wages	36,166	+ 4.9	71,837	+ 5.5
Interest paid on time deposits	3,577	+ 8.3	29,011	+17.4
All other expenses	26,159	+ 3.6	57,665	+ 6.7
Net current earnings	**58,655**	**− 2.1**	**65,732**	**− 7.0**
Noncurrent transactions	+2,629		−2,985	−83.1
Profits before income taxes	61,284	+17.4	62,747	+18.4
Taxes on income	34,004	+28.1	27,667	+29.3
Net profits	**27,280**	**+ 6.3**	**35,080**	**+11.0**
Cash dividends on common stock	14,601	+ 1.1	19,597	+ 9.9

Changes in Earning Assets

Despite the recession New England banks expanded their lending operations slightly during the past year. The greater availability of reserves allowed banks to increase substantially their holdings of securities even though loan volume was also increasing. As a result of these changes, total bank credit—loans and investments—at the year-end was 6 percent above the level at the end of 1957.

Commercial Loans—Commercial loans at year-end were slightly above the December 1957 level. For most of the year, however, the volume of such loans outstanding was less than in the preceding year. The swing from inventory accumulation to liquidation which began in 1957 continued through the first part of 1958,

bringing about net repayments by most classes of borrowers. Many corporations, taking advantage of lower long-term interest rates, improved their liquidity position by substituting long-term debt for short- and intermediate-term loans.

The slight increase in loan volume at the end of the year was the result of substantially different movements by different industries. The textile, chemical and rubber industries, and sales finance companies had substantially smaller amounts of loans outstanding at the end of 1958 than they had a year earlier. The metal products and construction industries added to their borrowings particularly during the last half of the year. During this latter period the sales finance companies and public utilities also increased their borrowings.

Real Estate Loans—As housing starts moved up to a new record annual rate by the end of the year, real estate loans increased by over 10 percent during the year. This was the most important factor in increasing loan volume. The lower rates which prevailed on residential mortgages together with a greater availability of mortgage credit provided a strong stimulus to new residential construction.

Consumer Loans—District banks maintained their volume of consumer loans at about the 1957 level. The largest increase was in single-payment loans, although instalment cash loans also increased. Automobile instalment loans, reflecting the decline in new auto sales during the year, declined by about 5 percent.

Investments—Securities holdings of the region's banks increased substantially over 1957 as banks sought to use profitably the additional funds at their disposal. At the year-end banks held 12 percent more securities than a year earlier, with most of the increase coming in the first six months of the year. Most of the increase was of United States securities, but holdings of state and municipal issues also increased.

General Money Market Developments

The accompanying charts provide a brief summary of the year's monetary developments. The Federal Reserve adjusted the discount rate several times during the year in accord with general business conditions and other money market rates. At the beginning of the year, the discount rate stood at 3 percent. It was reduced in three steps in January, March, and April to 1¾ percent where it remained for the second and third quarters of the year. In September, when industrial production had recovered more than ½ of its recession loss, the rate was raised to 2 percent. In November it was raised again,

MEMBER BANKS STATEMENT OF CONDITION

(Amounts in Thousands of Dollars)

	Boston		Other First District Banks	
	Dec. 31, 1958	Percent Change from Dec. 31, 1957	Dec. 31, 1958	Percent Change from Dec. 31, 1957
Total Assets	3,159,455	+ 5.1	5,611,143	+ 4.6
Total reserves, cash and balances	**747,486**	**+ 0.7**	**1,070,151**	**− 1.3**
Total investments	**846,683**	**+22.2**	**2,010,214**	**+ 8.9**
U. S. securities	696,125	+25.1	1,501,129	+10.5
Other securities	150,558	+10.5	509,085	+ 4.6
Total loans and discounts	**1,496,014**	**− 0.3**	**2,427,063**	**+ 3.5**
Commercial and industrial loans	1,048,559	+ 0.7	888,870	+ 1.1
Real estate loans	125,287	+13.0	711,350	+ 9.0
Other loans to individuals	260,972	− 6.6	707,425	+ 2.3
All other loans	98,238	− 5.4	169,923	+ 1.3
Reserve for bad debt losses, etc.	37,042	+ 7.5	50,505	+ 7.6
All other assets	**69,272**	**− 2.5**	**103,715**	**+13.2**
Total liabilities and capital accounts	3,159,455	+ 5.1	5,611,143	+ 4.6
Liabilities	**2,853,888**	**+ 5.3**	**5,144,933**	**+ 4.6**
Demand deposits	2,540,211	+ 5.3	3,708,176	+ 2.3
Time deposits	228,607	+11.5	1,350,882	+10.6
All other liabilities	85,070	− 7.8	85,875	+18.0
Capital accounts	**305,567**	**+ 3.0**	**466,210**	**+ 4.3**

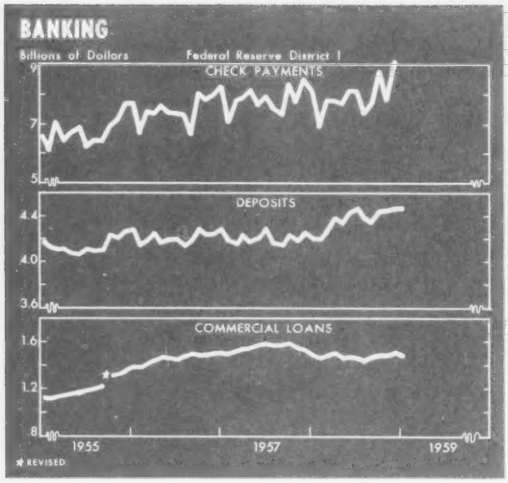
with the objective of narrowing the fairly wide spread which existed between the discount rate and related short-term money rates.

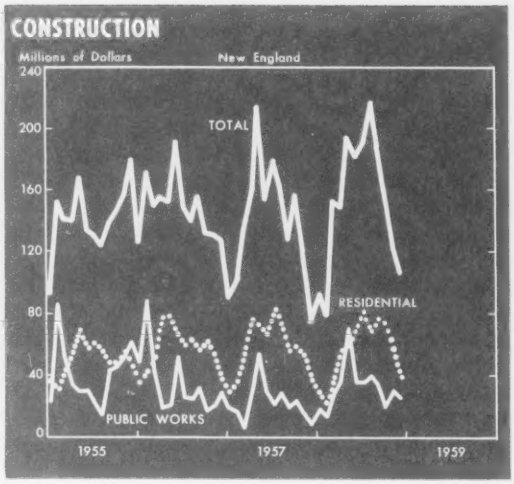
During the first half of 1958 there were substantial reductions in short-term interest rates. This was traceable to the substantial volume of reserves provided by the Federal Reserve System and reduced loan demand by business.

While rates on long-term Government and corporate issues were generally lower in May than at the beginning of the year, the fall in their yields during the first half year was not steady nor as great as the sharp decline which took place at the end of 1957. Although supplies of funds made available by commercial banks as well as by savings institutions continued to rise, there was a substantial increase in demands for long-term credit.

Federal financing needs increased greatly as the recession led to a fall in tax receipts as well as an increase in expenditures. The Treasury turned to the capital market in line with its objective of lengthening the average maturity of the debt whenever feasible. Long-term borrowing by state and local governments to finance such community facilities as schools, hospitals, roads, and water and sewage systems reached an all time high. Despite the recession, corporate security financing remained at a high level during the first half of the year.

Both long- and short-term rates participated in the upward movement of interest rates during the last half of the year. While the rate on Treasury bills was below its 1957 high, rates on long-term Treasury, municipal, and corporate bonds equalled or surpassed their 1957 highs.





MANUFACTURING INDEXES (seasonally adjusted)	UNITED STATES (1947–49 = 100) Jan. '59	Dec. '58	Jan. '58
All Manufacturing	145	144	135
Primary Metals	125	122r	100
Textiles	n.a.	103	93r
Shoes and Leather	n.a.	n.a.	100
Paper	n.a.	166	155

r = revised

New England and Massachusetts production indexes not available for January due to a revision in the series.

	NEW ENGLAND Jan. '59	Per Cent Change from: Dec. '58	Jan. '58	UNITED STATES Jan. '59	Per Cent Change from: Dec. '58	Jan. '58
BANKING AND CREDIT						
Commercial Loans ($ millions) (Weekly Reporting Member Banks)	1,473	− 1	− 1	29,941	− 2	− 2
Deposits ($ millions) (Weekly Reporting Member Banks)	4,463	0	+ 6	101,450	− 1	+ 8
Check Payments ($ millions) (Selected Cities)	8,499	− 7	+ 5	221,925	− 7	+ 4
Consumer Installment Credit Outstanding (index, 1950–52 = 100)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TRADE						
Department Store Sales (index, seas. adj. 1947–49 = 100)	119	−10	+ 3	137p.	− 5	+ 5
Department Store Stocks (index, seas. adj. 1947–49 = 100)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EMPLOYMENT, PRICES, MAN-HOURS, & EARNINGS						
Nonagricultural Employment (thousands)	3,450	− 3	0	50,266	− 3	0
Insured Unemployment (thousands) (excl. R. R. and Veterans programs)	205	+23	−15	2,559	+24	−12
Consumer Prices (index, 1947–49 = 100)	126.0 (Mass.)	0	+ 2	123.8	0	+ 1
Production-Worker Man-Hours (index, 1950 = 100)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Weekly Earnings in Manufacturing ($)	80.00 (Mass.)	0	+ 8	87.38	− 1	+ 7
OTHER INDICATORS						
Construction Contract Awards ($ thous.) (3-mos. moving averages, Nov., Dec., Jan.)						
Total	108,936	−16	+14	2,398,301	−12	+12
Residential	42,836	−23	+12	1,069,413	−15	+30
Public Works	24,010	− 4	+174	456,947	−10	+19
Electrical Energy Production (index, seas. adj. 1947–49 = 100)*	198.0	− 1	+ 9	244.7	− 1	+ 8
Business Failures (number)	68	+61.9	−18.1	1,273	+17.7	−0.5
New Business Incorporations (number)	1,099	−13.7**	+36.5	18,773	+14.1**	+43.5

*Figure for last week of month

** percentage changes based on revised December figures.

n.a. = not available
p. = preliminary